
HOUSE BILL No. 1195

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-41.

Synopsis: Sales tax holiday. Provides a sales tax exemption for school supplies, school art supplies, school computer supplies, computers, articles of clothing, and certain household items that are purchased during the four day period beginning on the first Thursday in August.

Effective: July 1, 2006.

Ulmer

January 9, 2006, read first time and referred to Committee on Ways and Means.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1195

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-41 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2006]: **Sec. 41. (a) This section applies to transactions occurring**
4 **during the four (4) day period beginning 12:01 a.m. on the first**
5 **Thursday in August and ending 11:59 p.m. on the following**
6 **Sunday.**

7 **(b) As used in this section, "clothing" includes but is not limited**
8 **to the following:**

- 9 (1) A shirt.
10 (2) A pair of pants.
11 (3) A pair of socks or hosiery.
12 (4) A pair of shoes or boots.
13 (5) An undergarment.
14 (6) A belt or belt buckle.
15 (7) A jacket or an overcoat.
16 (8) A pair of gloves or mittens.
17 (9) A hat.



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(10) A handbag.

The term does not include a watch, jewelry, a wallet, or eyewear.

(c) As used in this section, "household item" means an item purchased for personal use at an individual's residence. The term is limited to the following:

(1) A bedspread.

(2) A comforter.

(3) A blanket.

(4) Bed linen.

(5) A pillow.

(6) A pillow cover.

(7) A bathroom rug.

(8) A bathroom mat.

(9) A bath towel.

(10) A bathing wash cloth.

(11) A shower curtain.

(d) As used in this section, "school art supply" means an item commonly used by a student in a course of study for artwork. The term is mutually exclusive of the terms "school supply", "school instructional material", and "school computer supply". The term is limited to the following:

(1) Clay and glazes.

(2) Paints.

(3) Paintbrushes for artwork.

(4) Sketch and drawing pads.

(5) Watercolors.

(e) As used in this section, "school computer supply" means an item commonly used by a student in a course of study in which a computer is used. The term is mutually exclusive of the terms "school supply", "school art supply", and "school instructional material". The term is limited to the following:

(1) Computer printers.

(2) Computer storage media.

(3) Handheld electronic schedulers, except devices that are cellular phones.

(4) Personal digital assistants, except devices that are cellular phones.

(5) Printer supplies for computers, including printer paper and printer ink.

(f) As used in this section, "school instructional material" means written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The term is

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mutually exclusive of the terms "school supply", "school art supply", and "school computer supply". The term is limited to the following:

- (1) Reference books.
- (2) Reference maps and globes.
- (3) Textbooks.
- (4) Workbooks.

(g) As used in this section, "school supply" means an item commonly used by a student in a course of study. The term is mutually exclusive of the terms "school art supply", "school instructional material", and "school computer supply". The term is limited to the following:

- (1) Binders.
- (2) Book bags.
- (3) Calculators.
- (4) Cellophane tape.
- (5) Blackboard chalk.
- (6) Compasses.
- (7) Composition books.
- (8) Crayons.
- (9) Erasers.
- (10) Folders.
- (11) Glue, paste, and paste sticks.
- (12) Highlighters.
- (13) Index cards.
- (14) Index card boxes.
- (15) Legal pads.
- (16) Lunch boxes.
- (17) Markers.
- (18) Notebooks.
- (19) Paper.
- (20) Pencil boxes and other school supply boxes.
- (21) Pencil sharpeners.
- (22) Pencils.
- (23) Pens.
- (24) Protractors.
- (25) Rulers.
- (26) Scissors.
- (27) Writing tablets.

(h) A retail transaction involving:

- (1) clothing;
- (2) a household item;

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1 (3) a school supply;
2 (4) a school art supply;
3 (5) school instructional material;
4 (6) a computer that will be used at home by a student in a
5 course of study; or
6 (7) a school computer supply;
7 is exempt from the state gross retail tax during the period
8 described in subsection (a).
9 (i) The department may adopt rules under IC 4-22-2 to
10 implement this section.

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